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Village of Dixie Inn, Louisiana
Financial Statements
As of and for the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/20/10

Village of Dixie Inn, Louisiana

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Independent Auditors' Report

Village of Dixie Inn
Dixie Inn, Louisiana

We have audited the accompanying financial statements of the governmental activities, business-type activities, and major fund of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Dixie Inn's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

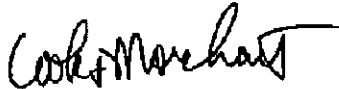
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and major fund of the Village of Dixie Inn, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2010 on our consideration of the Village of Dixie Inn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The budgetary comparison information on pages 26 – 27 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying financial information listed as other supplementary information in the table of contents and shown on page 28 is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Dixie Inn. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The Village of Dixie Inn has not presented management's discussion and analysis, which is supplementary information required by accounting principles generally accepted in the United States of America, but is not a required part of the basic financial statements.



Cook & Morehart
Certified Public Accountants
January 11, 2010

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 175,697	\$ 29,257	\$ 204,954
Investments	54,168		54,168
Receivables	34,197	16,376	50,573
Prepaid Items	17,259		17,259
Restricted assets, cash		51,097	51,097
Capital assets (net)	32,477	1,214,981	1,247,458
Total Assets	313,798	1,311,711	1,625,509
Liabilities			
Accounts, salaries and other payable	19,041	12,274	31,315
Payable from restricted assets:			
Revenue bonds payable -			
due within one year		8,470	8,470
Accrued interest		2,377	2,377
Customer deposits		10,704	10,704
Non-current Liabilities			
Revenue bonds payable -			
due in more than one year		56,956	56,956
Total liabilities	19,041	90,781	109,822
Net Assets			
Invested in capital assets, net of related debt	32,477	1,149,555	1,182,032
Restricted for:			
Debt service		40,321	40,321
Unrestricted	262,280	31,054	293,334
Total net assets	\$ 294,757	\$ 1,220,930	\$ 1,515,687

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs:	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities Total
Governmental activities:					
General government	\$ 247,905	\$ -	\$ -	\$ (247,905)	\$ (247,905)
Public safety	118,427	38,520		(79,907)	(79,907)
Total governmental activities	366,332	38,520		(327,812)	(327,812)
Business-type activities					
Water and Sewer	94,495	72,810	182,195		160,510
Garbage collection	13,585	13,585			
Total business-type activities	108,080	86,395	182,195		160,510
Total government	\$ 474,412	\$ 124,915	\$ 182,195	\$ (327,812)	\$ (167,302)
General revenues:					
Sales tax				336,867	336,867
Franchise taxes				9,748	9,748
Licenses and permits				35,978	35,978
Intergovernmental				22,446	22,446
Investment earnings				3,126	3,126
Other miscellaneous				4,864	4,926
Total general revenues				413,029	413,091
Changes in net assets				85,217	245,789
Net assets, beginning				209,540	1,269,898
Net assets, ending				\$ 294,757	\$ 1,515,687

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Balance Sheet
Governmental Fund
June 30, 2009

Assets	<u>General</u>
Cash	\$ 175,697
Investments	54,168
Receivables	<u>34,197</u>
Total Assets	<u>\$ 264,062</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts, salaries, and other payables	<u>\$ 19,041</u>
Total Liabilities	<u>19,041</u>
Fund balance:	
Unreserved	<u>245,021</u>
Total Fund Balance	<u>245,021</u>
Total Liabilities and Fund Balances	<u>\$ 264,062</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2009

Fund Balance - Governmental Fund	\$ 245,021
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Amounts reported for government activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	32,477
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The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	<u>17,259</u>
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Net Assets of Governmental Activities	<u><u>\$ 294,757</u></u>
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See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2009

Revenues:	<u>General</u>
Taxes	
Sales tax	\$ 338,867
Franchise tax	9,748
Licenses and permits	35,978
Intergovernmental revenues	
State funds	22,446
Fines and forfeitures	38,520
Investment earnings	3,126
Other revenues	4,864
Total revenues	<u>451,549</u>
 Expenditures:	
Current	
General government	257,795
Public safety	116,932
Total expenditures	<u>374,727</u>
 Excess of revenues over expenditures	76,822
 Fund balance, beginning of year	<u>168,199</u>
 Fund balance, end of year	<u><u>\$ 245,021</u></u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in the Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balance - governmental fund	\$ 76,822
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Amounts reported for governmental activities in the Statement of Activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation (\$3,411) in the current period.

(3,411)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

11,806

Change in Net Assets of Governmental Activities

\$ 85,217

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Net Assets
Proprietary Fund
June 30, 2009

	Business-Type Activities Enterprise Fund <u>Water and Sewer Fund</u>
Assets	
Current assets	
Cash	\$ 29,257
Receivables	<u>16,376</u>
Total current assets	<u>45,633</u>
Noncurrent assets	
Restricted cash	51,097
Capital assets (net accumulated depreciation)	<u>1,214,981</u>
Total noncurrent assets	<u>1,266,078</u>
Total assets	<u>1,311,711</u>
Liabilities	
Current liabilities	
Accounts, salaries and other payable	12,274
Payable from restricted assets:	
Customer deposits	10,704
Revenue bonds payable	8,470
Accrued interest	<u>2,377</u>
Total current liabilities	<u>33,825</u>
Noncurrent liabilities	
Revenue bonds	<u>56,956</u>
Total noncurrent liabilities	<u>56,956</u>
Total liabilities	<u>90,781</u>
Net assets	
Invested in capital assets, net of related debt	1,149,555
Restricted for debt service	40,321
Unrestricted	<u>31,054</u>
Total net assets	<u>\$ 1,220,930</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Water and Sewer Fund</u>
Operating Revenues	
Charges for services	
Water sales	\$ 52,558
Sewer charges	20,252
Total operating revenues	<u>72,810</u>
Operating Expenses	
Chemicals and supplies	11,320
Office expense	3,193
Utilities	17,138
Legal and accounting	2,100
Repair and maintenance	19,698
Miscellaneous	2,834
Depreciation	34,816
Total operating expenses	<u>91,095</u>
Operating income (loss)	<u>(18,285)</u>
Non-Operating Revenues (Expenses)	
Interest earnings	62
Interest expense	(3,400)
Garbage fees	13,585
Garbage collection fees	(13,585)
Total non-operating revenues (expenses)	<u>(3,338)</u>
Income (loss) before transfer and contributions	(21,623)
Capital contributions	<u>182,195</u>
Change in net assets	160,572
Total net assets, beginning of year	<u>1,060,358</u>
Total net assets, end of year	<u>\$ 1,220,930</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activities Enterprise Fund Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 81,716
Payments to suppliers	(64,393)
Net cash provided (used) by operating activities	<u>17,323</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(185,316)
Capital contribution	182,195
Principal paid on capital debt	(8,052)
Interest paid on capital debt	(3,400)
Net cash provided (used) by capital and related financing activities	<u>(14,573)</u>
Cash Flows from Investing Activities	
Interest income	<u>62</u>
Net cash provided (used) by investing activities	<u>62</u>
Net increase in cash	2,812
Cash, beginning of year	<u>77,542</u>
Cash, end of year	<u>\$ 80,354</u>
Reconciliation of Operating Income(loss) to Net Cash Provided (used) by Operating Activities:	
Operating income (loss)	\$ (18,285)
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operating Activities:	
Depreciation expense	34,816
(Increase) decrease in accounts receivable	(5,627)
Increase (decrease) in accounts payable	5,471
Increase (decrease) in customer deposits	<u>948</u>
Net cash provided (used) by operating activities	<u>\$ 17,323</u>

See accompanying notes to the basic financial statements.

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009

Introduction

The Village of Dixie Inn, Louisiana (The Village) was incorporated August 8, 1962, under the provisions of the Lawrason Act. The Village is located in the Parish of Webster, being in the northwest corner of the State of Louisiana.

Elected officials of the Village of Dixie Inn are a mayor, three (3) aldermen, and a chief of police, who are elected every four years. The affairs of the Village are conducted and managed by the mayor and the board of aldermen.

(1) Summary of Significant Accounting Policies

The Village of Dixie Inn's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Dixie Inn are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Dixie Inn is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village of Dixie Inn), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the Village of Dixie Inn are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, as amended by GASB Statement No. 39, established criteria for determining which component units should be considered part of the Village of Dixie Inn for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

In addition, the GASB 39 states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Dixie Inn's basic financial statements include both government-wide (reporting the funds maintained by the Village of Dixie Inn as a whole) and fund financial statements (reporting the Village of Dixie Inn's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Dixie Inn's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Dixie Inn's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations of providing water and sewer services.

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Dixie Inn as an entity and the change in the Village of Dixie Inn's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Dixie Inn are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Dixie Inn:

1. **Governmental Funds** – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Dixie Inn:
 - a. General fund is the general operating fund of the Village of Dixie Inn. It is used to account for all financial resources except those required to be accounted for in another fund.
2. **Proprietary Funds** – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

(Continued)

**Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)**

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Utility Fund – accounts for the provision of water and sewer services of the Village.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2855 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	10–40 years
Land Improvements	10–30 years
Infrastructure	25–50 years
Furniture and equipment	5–15 years
Vehicles	5–15 years
Other equipment	5–10 years
Water and sewer systems	5–40 years

GASBS No. 34 requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

H. Revenues

Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

I. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

J. Sales Taxes

The Village receives proceeds from a two percent sales and use tax, the revenue from which may be used for any lawful purpose.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net assets. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Bad Debts

The Village uses the direct charge-off method of accounting for water and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

O. Capitalized Interest

The Village capitalizes net interest costs and interest earned as part of the cost of constructing various water and sewer projects when material.

P. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

(2) Budgets

The Village follows the following budget practices:

- (a) The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
- (b) The public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- (d) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or falling to meet amounts estimated require the approval of the Board of Aldermen.
- (e) Budgetary appropriations lapse at the end of each fiscal year.

The budget for the General Fund was adopted on a budgetary basis - Cash for the year ended June 30, 2009. One amendment was made to the original budget and is reflected in the budget comparison schedule.

(3) Cash and Cash Equivalents

At June 30, 2009, the Village of Dixie Inn had cash and cash equivalents (book balances) totaling \$256,051, of which \$51,097 is shown as restricted asset cash. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2009, the Village's bank balances totaling \$11,773 were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's trust department not in the Village's name	\$ 11,773
---	-----------

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

(4) Investments

The investments in U.S. Government Securities are registered in the name of the Village and are held in a brokerage account insured by the SIPC. These investments are considered category A in applying the credit risk of the Governmental Accounting Standards Board (GASB).

The following is a summary of investments as of June 30, 2009:

	Fair Value/ Carrying Amount	Cost
Governmental Funds		
US Agency & Treasury Bonds	\$ 40,896	\$ 41,319
US Treasury Money Fund	<u>13,272</u>	<u>13,272</u>
Total investments	<u>\$ 54,168</u>	<u>\$ 54,591</u>

(5) Receivables

Receivables at June 30, 2009 are as follows:

Governmental activities:	
Sales and use taxes	\$ 30,024
Franchise	1,871
Other	<u>2,302</u>
	34,197
Business-type activities:	
Water and sewer charges	10,797
LCDBG grant	<u>5,579</u>
	16,376
	<u>\$ 50,573</u>

(6) Restricted Assets -- Proprietary Fund Type

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, meter deposits are classified as restricted assets. Restricted assets as of June 30, 2009 are as follows:

<u>Utility Fund</u>	
Bond revenue & sinking fund	\$ 12,069
Bond depreciation & contingency fund	6,555
Bond reserve fund	21,697
Customer meter deposits	<u>10,776</u>
Total restricted assets	<u>\$ 51,097</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

(7) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated				
Land	<u>\$ 14,000</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 14,000</u>
Total capital assets, not being depreciated	<u>14,000</u>	<u>—</u>	<u>—</u>	<u>14,000</u>
Capital assets being depreciated				
Buildings	<u>51,770</u>	<u>—</u>	<u>—</u>	<u>51,770</u>
Improvements other than buildings	<u>268,344</u>	<u>—</u>	<u>—</u>	<u>268,344</u>
Machinery and equipment	<u>64,596</u>	<u>—</u>	<u>—</u>	<u>64,596</u>
Total capital assets being depreciated	<u>384,710</u>	<u>—</u>	<u>—</u>	<u>384,710</u>
Less accumulated depreciation for				
Buildings	<u>(33,730)</u>	<u>(1,495)</u>	<u>—</u>	<u>(35,225)</u>
Improvements other than buildings	<u>(268,344)</u>	<u>—</u>	<u>—</u>	<u>(268,344)</u>
Machinery and equipment	<u>(60,748)</u>	<u>(1,916)</u>	<u>—</u>	<u>(62,664)</u>
Total accumulated depreciation	<u>(362,822)</u>	<u>(3,411)</u>	<u>—</u>	<u>(366,233)</u>
Total capital assets being depreciated, net	<u>21,888</u>	<u>(3,411)</u>	<u>—</u>	<u>18,477</u>
Governmental activities capital assets, net	<u>\$ 35,888</u>	<u>\$ (3,411)</u>	<u>\$ —</u>	<u>\$ 32,477</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 1,045	\$ -	\$ -	\$ 1,045
Construction in progress	<u>29,664</u>	<u>-</u>	<u>(29,664)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>30,709</u>	<u>-</u>	<u>(29,664)</u>	<u>1,045</u>
Capital assets being depreciated				
Buildings	478,054	-	-	478,054
Improvements other than buildings	810,897	213,748	-	1,024,645
Machinery and equipment	<u>29,692</u>	<u>1,232</u>	<u>(500)</u>	<u>30,424</u>
Total capital assets being depreciated	<u>1,318,643</u>	<u>214,980</u>	<u>(500)</u>	<u>1,533,123</u>
Less accumulated depreciation for				
Buildings	(88,574)	(11,895)	-	(100,469)
Improvements other than buildings	(177,276)	(19,661)	-	(196,937)
Machinery and equipment	<u>(19,021)</u>	<u>(3,260)</u>	<u>-</u>	<u>(22,281)</u>
Total accumulated depreciation	<u>(284,871)</u>	<u>(34,816)</u>	<u>-</u>	<u>(319,687)</u>
Total business-type assets being depreciated, net	<u>1,033,772</u>	<u>180,164</u>	<u>(500)</u>	<u>1,213,436</u>
Business-types activities capital assets, net	<u>\$1,064,481</u>	<u>\$ 180,164</u>	<u>\$ (30,164)</u>	<u>\$1,214,481</u>

Depreciation expense for the year ended June 30, 2009 was charged as follows:

Governmental activities:	
General	\$ 1,916
Police	<u>1,495</u>
Total	<u>\$ 3,411</u>
Business-type activities	
Sewer	\$ 17,630
Water	<u>17,186</u>
Total	<u>\$ 34,816</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

(8) Operating Leases

The Village leases equipment under an operating lease. The rental costs paid on this lease for the year ended June 30, 2009 was \$864.

Commitments under lease agreements having initial or remaining non-cancelable terms in excess of one year are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	<u>\$ 360</u>

(9) Long-Term Obligations

Long-term liability activity for business-type activities for the year ended June 30, 2009 was as follows:

Beginning balance	\$ 73,479
Reductions	(8,053)
Ending balance	<u>\$ 65,426</u>
Amounts due within one year	<u>\$ 6,470</u>

Bonds payable at June 30, 2009 are comprised of the following issues:

	<u>Principal Outstanding</u>	<u>Interest To Maturity</u>
Revenue Bonds:		
\$181,000 Water & Sewer Utilities Revenue Bonds, dated October 23, 1975; due in annual installments of \$10,638; interest at 5%	\$ 61,639	\$ 13,345
\$20,000 Water and Sewer Utilities Revenue Completion Bond, Series 1978, of the Village of Dixie Inn; due in annual installments of \$1,186; interest at 5%	<u>3,787</u>	<u>461</u>
	<u>\$ 65,426</u>	<u>\$ 13,806</u>

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

Interest expense incurred for the year ended June 30, 2009 was \$3,400, which was paid from the water and sewer fund.

The annual requirements to amortize all business-type activity debt outstanding as of June 30, 2009, including interest payments of \$13,806 are as follows:

<u>Revenue Bonds</u>			
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	8,470	3,352	11,822
2011	8,902	2,920	11,822
2012	9,358	2,464	11,822
2013	9,341	1,985	11,326
2014	9,132	1,504	10,636
2015 – 2016	20,223	1,581	21,804
	<u>\$ 65,426</u>	<u>\$ 13,806</u>	<u>\$ 79,232</u>

(10) Retirement

Certain police officers are members of the Municipal Police Employees Retirement System. All other municipal employees participate in the Village's Defined Contribution Plan. All employees of the Village of Dixie Inn are covered by the Federal Social Security System. Pertinent information relative to each plan follows:

Municipal Police Employees Retirement System of Louisiana (System)

Plan Description: All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2009
(Continued)

Funding Policy: Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Village of Dixie Inn is required to contribute at an actuarially determined rate. The current rate is 9.5% percent of annual covered payroll. The contribution requirements of plan members and the Village of Dixie Inn are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village of Dixie Inn contributions to the System for the years ending June 30, 2007, 2008 and 2009, were \$14,209, \$8,519, and \$3,797, respectively, equal to the required contributions for each year.

Defined Contribution Plan

For the year ended June 30, 2009, the Village of Dixie Inn participated in a defined contribution plan, as set forth under section 457(b) of the Internal Revenue Code, for the village clerk and water superintendent. The plan is administered by the Trust Company of Louisiana and the participants may contribute the lesser of \$8,000 or 25% of their yearly compensation. Employer contribution requirements are established and may be amended by the Village. The Village currently contributes 10% of the employee's annual compensation. For the years ended June 30, 2008 and 2009, employee and employer contributions to the plan were \$6,678 and \$8,223 respectively.

(11) Reserved Retained Earnings Balances

At June 30, 2009, \$40,321 was reserved in the Utility Fund to service the revenue bonds and comply with debt covenants.

(12) Flow of Funds; Restriction on Use – Water and Sewer System Revenues

Under the terms of the bond indenture for the outstanding Revenue Bonds of 1975, all income and revenues earned or derived from the operation of the water and sewer system are pledged and dedicated to the retirement of said bonds and are to be maintained and administered in the following order of priority and for the following express purposes:

- a. The payment of all reasonable expenses of administration, operation and maintenance of the water and sewer system.
- b. Each month, there will be set aside into an account called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.
- c. There shall also be set aside into a "Bond Reserve Account" an amount equal to 5% of the payments required to be made to the Bond and Interest Sinking Fund. The funds available in the Bond Reserve Account may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Account and as to which there would otherwise be default.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to the Financial Statements
June 30, 2008
(Continued)

- d. Each fiscal year \$600 shall be set aside into a "Bond Contingency Account" until there shall have been accumulated in the account an amount equal to \$24,000. Money in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond accounts.
- e. All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above-noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose.

(13) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(14) Subsequent Events

Subsequent events have been evaluated through January 11, 2010, the date the financial statements were available to be issued.

(15) Economic Dependency

Sales tax for the year ended June 30, 2009 for the Village was \$336,867. Approximately 82% of the sales tax revenue was remitted by ten (10) taxpayers.

Village of Dixie Inn
Dixie Inn, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Cash Basis) and Actual
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amount	Variance with
	Original	Final	Cash Basis	Final Budget
Revenues				Positive
Sales tax	\$ 270,000	\$ 270,000	\$ 332,352	\$ 62,352
Franchise tax	9,500	9,500	10,217	717
Occupational licenses	12,000	24,000	43,387	19,387
Intergovernmental revenues	20,900	20,900	23,111	2,211
Fines and forfeitures	36,000	36,000	38,520	2,520
Investment earnings	25	25	3,128	3,101
Miscellaneous	12,100	5,100	4,019	(1,081)
Total revenues	<u>360,525</u>	<u>365,525</u>	<u>454,732</u>	<u>89,207</u>
Expenditures				
General government	237,350	234,150	255,486	(21,336)
Public safety	146,600	134,900	116,932	17,968
Total expenditures	<u>383,950</u>	<u>369,050</u>	<u>372,418</u>	<u>(3,368)</u>
Excess (deficiency) of revenues over				
(under) expenditures	(23,425)	(3,525)	82,314	85,839
Fund balance, beginning of year	<u>55,042</u>	<u>164,351</u>	<u>147,551</u>	<u>(16,800)</u>
Fund balance, end of year	<u>\$ 31,617</u>	<u>\$ 160,826</u>	<u>\$ 229,865</u>	<u>\$ 69,039</u>

Village of Dixie Inn
Dixie Inn, Louisiana
Notes to Required Supplementary Information
June 30, 2009

The Village's budget is adopted on a cash basis for the general fund. There was one amendment to the June 30, 2009 budget. The budget comparison schedule included in the accompanying financial statements includes the original and amended budget. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budget basis)	\$ 82,314
Adjustments:	
Revenue accruals – net	(3,183)
Expenditure accruals – net	<u>(2,309)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 76,822</u>

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Compensation Paid Board of Aldermen and Mayor
For the Year Ended June 30, 2009

Mayor:

Ava Nell McWhorter	\$	18,350
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Board Member:

Kay Stratton		2,730
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Pauline Fontenot		2,730
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Joseph Walden		<u>2,730</u>
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Total	\$	<u><u>26,540</u></u>
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COOK & MOREHART

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C. BRYAN COYLE, CPA
STUART L. REEKS, CPA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Village of Dixie Inn
Dixie Inn, Louisiana

We have audited the financial statements of the governmental activities, business-type activities, and major fund of the Village of Dixie Inn, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise Village of Dixie Inn, Louisiana's basic financial statements and have issued our report thereon dated January 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Dixie Inn, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Dixie Inn, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Dixie Inn, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Dixie Inn, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Village of Dixie Inn, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by the Village of Dixie Inn, Louisiana's internal control. We consider the deficiencies described in the accompanying Schedule of Current Audit Findings as items 2009-1 and 2009-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Dixie Inn, Louisiana's internal control.

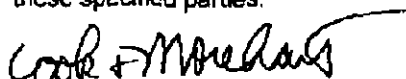
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 and 2009-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Dixie Inn, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Village of Dixie Inn's response to the findings identified in our audit is described in the accompanying Schedule of Current Audit Findings for the Louisiana Legislative Auditor. We did not audit the Village of Dixie Inn's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Village Aldermen, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
January 11, 2010

Village of Dixie Inn
Dixie Inn, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2009

Summary Schedule of Prior Audit Findings

There were no findings for the year ended June 30, 2008.

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2009

Current Year Findings

2009-1 Material Weakness – Control of Utility Accounts Receivable and Customer Deposits

Criteria:	Internal controls should be in place to adequately account for water and sewer accounts receivable and customer deposit collections, including proper segregation of duties.
Condition:	The general ledger for the Village is maintained on the cash basis by an outside CPA firm. Accounts receivable and customer deposit balances are adjusted–reconciled only at year end. Also, the Village Clerk is the only employee that collects payments from customers and makes the deposits.
Cause:	The Village has only one employee, the Village Clerk, for the collection of water and sewer payments. Controls have not been implemented over the collection of water and sewer payments to adequately account for the accounts receivable and customer deposits on a monthly basis.
Effect:	Because the Village Clerk is the only employee collecting and making the deposits for water and sewer payments, this causes a lack of segregation of duties. Also, by the CPA firm maintaining the Village's general ledger on the cash basis, controls are not in place to adequately account for the accounts receivable and customer deposits being collected by the Village.
Recommendation:	The Village should have the CPA firm, that maintains the general ledger reconcile the water and sewer accounts receivable and customer deposits to the general ledger with reports generated by the billing service that prepares the monthly water and sewer billings. This reconciliation should be done on a monthly basis.
Management Response:	This is an ongoing problem of the Village of Dixie Inn. Due to the size of our Village and our financial status it isn't feasible to employ more than one employee in our business office. We have several controls in place to monitor the village's utility business. Our water/sewer/garbage fees are billed through an outside billing agent. Water money received has to match all money that is billed by this firm. A monthly journal is kept of all changes made to water billings such as residents moving, deposits being applied, etc. All persons putting a water deposit down for water service is also listed in this journal and their name, address, date of deposit and the amount of their deposit is kept on our computer program.

(Continued)

Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2009
(Continued)

A copy of this journal sent to the village accountant, the outside billing agent and a copy is also retained in the village office. We will take into consideration the recommendation made by the CPA and discuss with the village CPA the possibility of sending the account receivable subsidiary ledger to them and have them do reconciliation with our billing records.

Name of Contact Person: Ava Nell McWhorter, Mayor

2009-2 Material Weakness – Control over Traffic Tickets

Criteria:	Internal controls should be in place, including a proper segregation of duties, over the collection and deposit of traffic ticket revenue.
Condition:	The Village Clerk is the one individual responsible for collecting and depositing traffic ticket revenue. Also, there is not a system in place to account for the traffic tickets issued. The Village Clerk does maintain a register, but only on those tickets paid-collected by the Village. The Village also accepts cash-currency for payments.
Cause:	The Village Clerk is the one individual that is responsible for collecting and depositing traffic ticket revenue. The Village Clerk does not control the ticket books as purchased. The ticket books are maintained by the police department.
Effect:	Because the Village Clerk is the only employee collecting and depositing traffic ticket revenue, this causes a lack of segregation of duties. Errors or irregularities could occur and not be detected. Also, the Village Clerk is not issuing and accounting for all available tickets. Controls are not in place to adequately account for all traffic ticket revenue.
Recommendation:	The Village Clerk should issue the ticket books to the police department and maintain a listing of all available tickets. The listing should be updated and reviewed periodically by the Village Clerk. Also, due to the lack of segregation of duties in regards to collection and deposit of ticket revenue, the Village should consider accepting only money orders/cashier checks for payment of traffic tickets.

(Continued)

**Village of Dixie Inn
Dixie Inn, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2009**

Management Response: We will take into consideration from the CPA performing our audit that the Police Chief for the Village of Dixie Inn shall purchase the Louisiana Uniform Traffic Summons books and he in turn will have the Village Clerk log the numbers of each book in the Ticker Register prior to issuing them to police officers. This will act as a check and balance for his department.

Name of Contact Person: Ava Nell McWhorter, Mayor